



STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

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IN REPLY REFER TO:

Board of Land and
Natural Resources
State of Hawaii
Honolulu, Hawaii

Amendment No. 4 to Lease No. DOT-A-92-0018
Restaurant and Lounge Concession Lease
Host International Inc., Honolulu International Airport

OAHU

On June 9, 2005, under agenda Item M-3, the Land Board authorized the Department of Transportation (DOT) to amend the Restaurant and Lounge Lease DOT-A-92-0018 (Lease) at Honolulu International Airport. The amendment would have extended the term of the Lease under the authority granted to the Governor under Act 201 Session Laws of Hawaii 2004. Subsequent to the Board's approval, the Governor declined to exercise that authority. Further discussions between the DOT and the Restaurant and Lounge concessionaire, Host International, Inc. (Host), concluded that amending the Lease to provide for additional space would be in the best interests of the traveling public. The following contains a description and summary of some of the major terms and conditions that the DOT anticipates incorporating into the amendment:

PURPOSE:

To amend the existing Lease at Honolulu International Airport to allow for additional space to offer food and beverage services to travelers. Under Article III of the Lease, the specific area assigned or provided for the concession activity may be changed at the discretion of the Director of Transportation.

APPLICANT:

Host International, Inc. whose business address is 6600 Rockledge Drive, Bethesda, Maryland 20817.

LEGAL REFERENCE:

Chapter 102 and Section 261-7, Hawaii Revised Statutes, as amended

LOCATION AND TAX MAP KEY:

Honolulu International Airport, 1st Division – 1-1-03:Portion of 1 (Honolulu)

PREMISES:

Additional space provided to concessionaire: Building 336, Space No. 226, containing an area of approximately 600 square feet

ZONING:

Land Use: Honolulu
Urban/County: Industrial (I-2)

LAND STATUS:

Section 5(a), Hawaii Admission Act – Non-ceded
DHHL 30% entitlement lands: Yes___ No X

TERM:

To run for the balance of the term of the existing lease which expires on April 30, 2008

IMPROVEMENTS:

Applicant will construct and install all improvements to Building 336, Space No. 226 at its sole cost

RENTAL:

No additional square footage floor rent will be charged. All gross receipts generated from the additional space will be included with the gross receipts of the concession. The concessionaire pays the greater of the minimum annual guaranteed rent or a percentage of gross receipts as the concession fee. The percentage rent rates for the concession are eight percent (8%) of gross receipts from food and thirteen percent (13%) of gross receipts from alcohol.

CHAPTER 343, HRS - ENVIRONMENTAL ASSESSMENT:

Pursuant to Section 11-200-8(a), Environmental Impact Statement Rules of the Department of Health, State of Hawaii, this disposition is exempt from requirements regarding preparation of an environmental assessment, negative declaration, or environmental impact statement as required by Chapter 343, Hawaii Revised Statutes, as amended, relating to Environmental Impact Statements, because the proposed action falls within Exemption Class #1, Comprehensive Exemption List for the State of Hawaii, Department of Transportation dated November 14, 1990, as approved by the Environmental Quality Council. Exemption Class #1 covers operations, repairs, or maintenance of existing structures, facilities,

equipment, or topographical features involving negligible or no expansion or change of use beyond that previously existing.

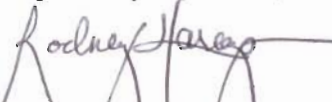
REMARKS:

The DOT and the Applicant entered into that certain concession lease (Lease No. DOT-A-92-0018) dated March 2, 1993, for the Restaurant and Lounge Concession at Honolulu International Airport (Airport). Over time conditions at the Airport have changed and the Applicant finds that addition of these food and beverage offerings can better service travelers and since the additional space is located in the non-secure portion of the airport terminal, it will also offer a place for family and friends to gather to bid aloha to travelers.

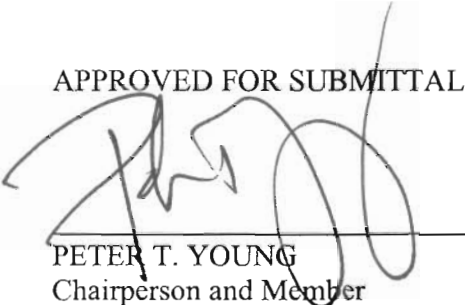
RECOMMENDATION:

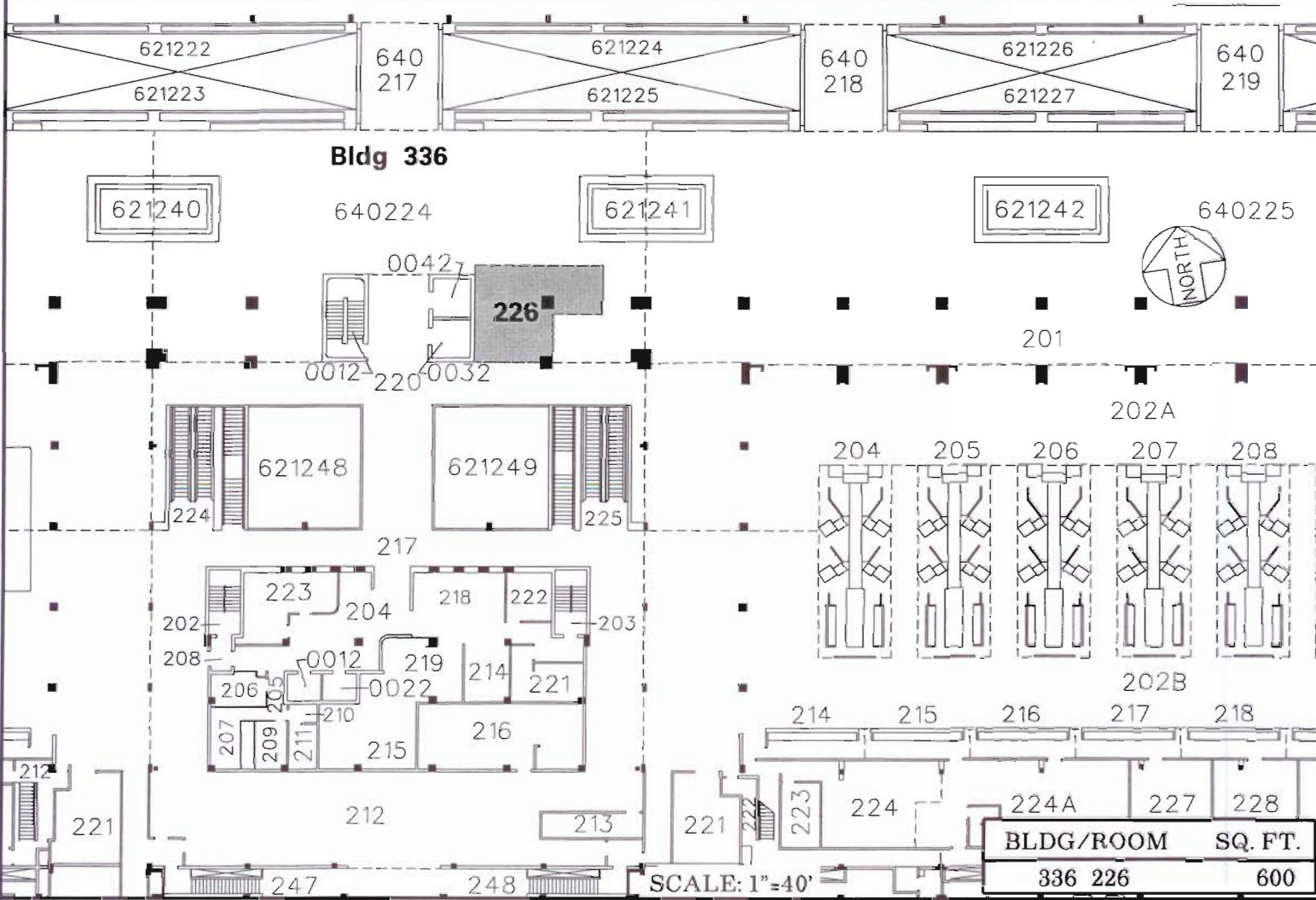
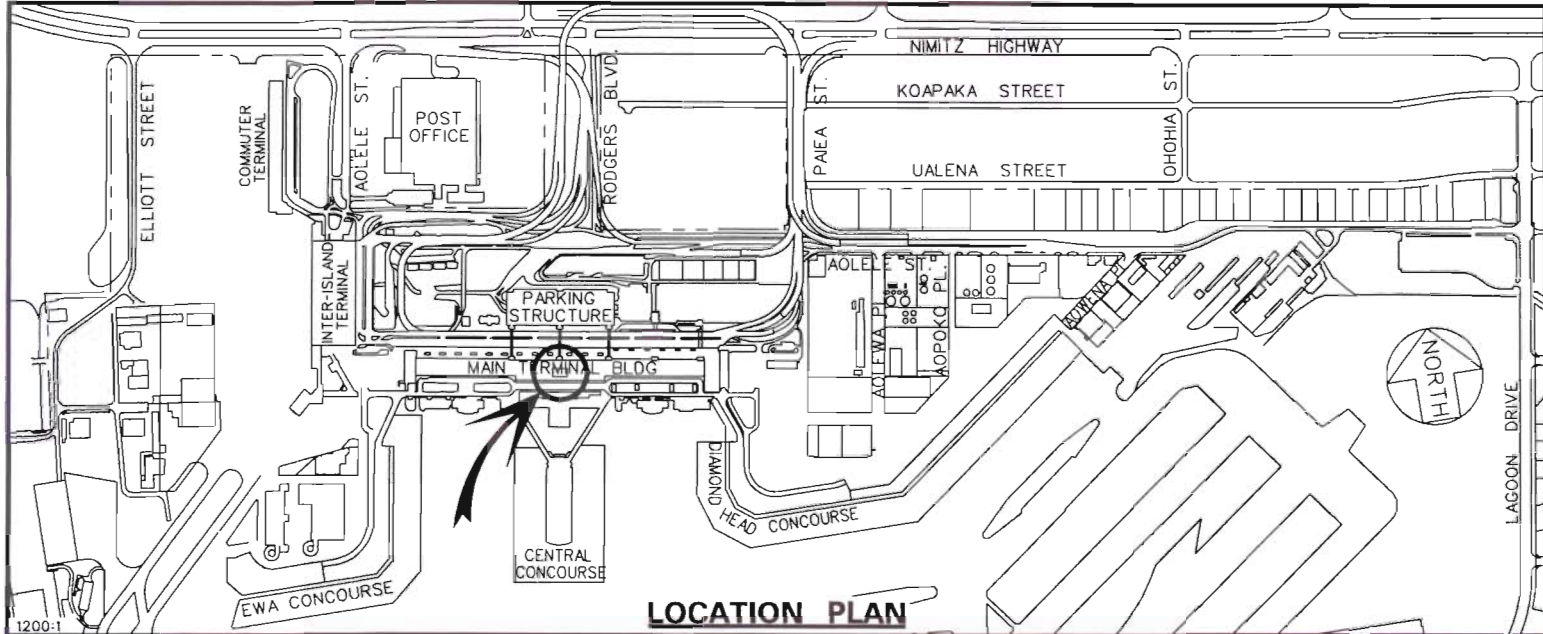
That the Board: (1) rescind its action of June 9, 2005 approving an extension of the Lease and (2) authorize the DOT to amend the Lease to allow the DOT to lease to the Applicant additional space for the balance of the term of the existing Lease, subject to: (1) terms and conditions herein outlined, which are by reference incorporated herein; (2) such other terms and conditions as may be prescribed by the Director of Transportation to best serve the interests of the State and (3) review and approval of the Department of the Attorney General as to the Lease form and content.

Respectfully submitted,


RODNEY K. HARAGA
Director of Transportation

APPROVED FOR SUBMITTAL:


PETER T. YOUNG
Chairperson and Member



BLDG/ROOM	SQ. FT.
336 226	600

DATE: MARCH 2006

EXHIBIT: **B-19**

<p>Airports Division</p>	<p>HOST</p>	<p>BUILDING 336 ADMIN. BUILDING SECOND LEVEL</p>	<p>336226 PLAT A2</p>
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HONOLULU INTERNATIONAL AIRPORT

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